

COMPANY/MINE North American Equities
PERMIT # B 1020N

NOV/CO # NBS-8-8-2
VIOLATION # 2 of 2

EVENT VIOLATIONS INSPECTORS STATEMENT

A. SERIOUSNESS

1. What harmful event was this regulation designed to prevent? Refer to the DOGM reference list of events below and remember that the event is not the same as the violation. Circle and explain each event.

- a. Activity outside the approved permit area.
- b. Injury to the public (public safety).
- c. Damage to property.
- d. Conducting activities without appropriate approvals.
- e. Environmental harm.
- f. Water pollution.
- g. Loss of reclamation / revegetation potential.
- h. Reduced establishment of a permanent, diverse and effective vegetative cover.
- i. Other.

Contamination of the stream which passes by the mine could result if discharges from ponds occurred. This stream is a fishery important to the lake below.
See drawing on back

2. Has the event occurred? Yes ☒ No ☒

If yes, describe it. If no, what would cause it to occur and how likely is it that it would happen.

Heavy rainfall could cause short circuiting of pond resulting in water quality below the required standards and this could impact on the stream.

3. Would and/or does damage extend off the disturbed and/or permit area?

DISTURBED AREA

PERMIT AREA

Would: Yes ☒
Does: Yes ☒

No ☐
No ☒

Would: Yes ☒
Does: Yes ☒

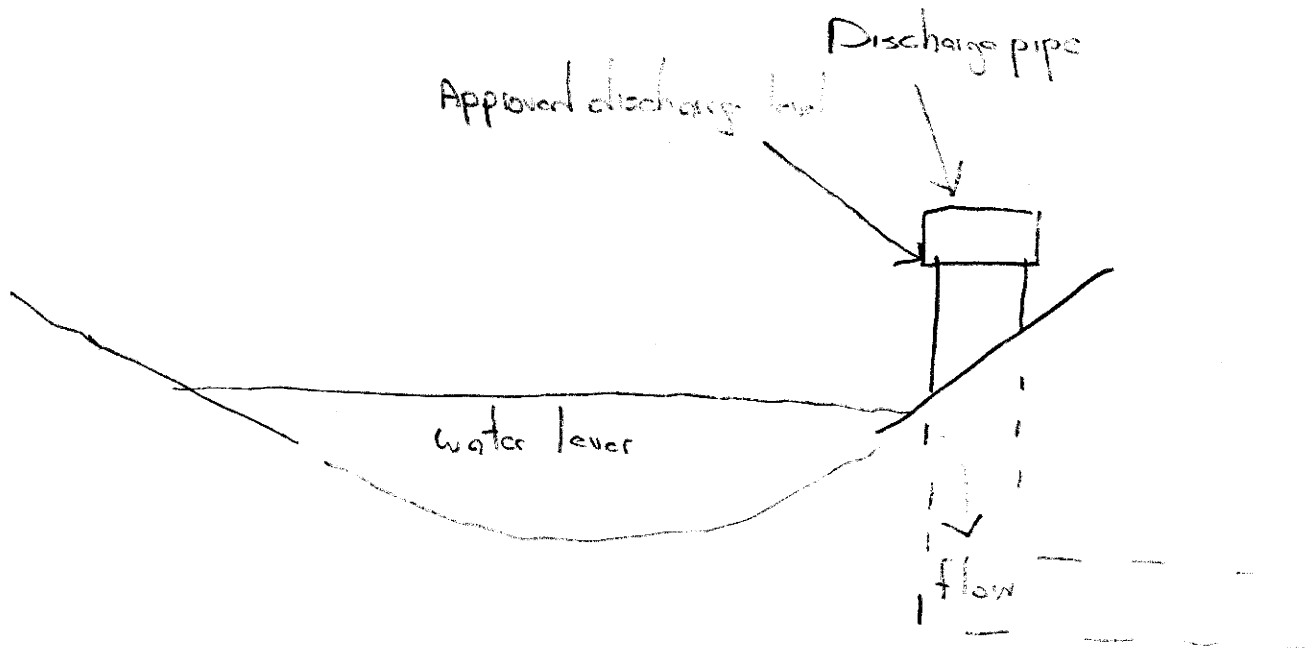
No ☐
No ☒

4. Describe the duration and extent of the damage or impact. How much damage may have occurred if the violation had not been discovered by a DOGM inspector? Describe this potential damage and whether or not damage would extend off the disturbed and/or permit area.

If a heavy rainfall occurred sediment could be transported into the stream below the site reducing water quality.

Potential damage off the disturbed area. Yes ☒ No ☐

Potential damage off the permit area. Yes ☒ No ☐



flow in the structure appeared slight but constant

B. DEGREE OF FAULT (Only one question applies to each violation, check one and discuss.)

() No Negligence

If you think this violation was not the fault of the operator (due to vandalism or an act of God), explain. Remember the permittee is considered responsible for actions of all persons working on the mine site.

(✓) Ordinary Negligence

If you think this violation was the result of not knowing about DOGM regulations, indifference to DOGM regulations or the lack of diligence or reasonable care. Explain.

Operations were heavily covered with snow and flow into structure could not be seen till melting occurred
Area should have been inspected after melting

() Recklessness:

If the actual or potential environmental harm or harm to the public should have been evident to an operator, describe the situation and what if anything, the operator did to correct it prior to being cited.

() Knowing and Willful Conduct

Was the operator in violation of a specific permit condition? Did the operator receive prior warning of noncompliance by State or Federal inspectors concerning this violation? Has DOGM or OSM cited the violation in the past? If so, give the dates and the type of warning or enforcement action taken.

GOOD FAITH

1. In order to receive good faith for compliance with an NOV or CO the violation must have been abated before the abatement deadline. If you think this applies, describe how rapid compliance was achieved (give dates) and describe the measures the operator took to comply as rapidly as possible.

2. Explain whether or not the operator had the necessary resources onsite to achieve compliance.

This stand pipe must be repaired. It is possible simple sealing of the structure could be done however the pipe itself may need to be replaced.

3. Was the submission of plans prior to physical activity required by this NOV? Yes _____ No ☒ If Yes, explain.

6/10/85

DATE

Thomas W. Hough

AUTHORIZED REPRESENTATIVE

#5231